

December 9, 1994

MEETING WITH RUSSIAN PARLIAMENTARIANS

TIME: 2:00 PM, Friday, December 16
LOCATION: Office of Deputy N. Vorontsov, State Duma Bldg., Moscow
FROM: Bill Nitze

I. OBJECTIVE

To convey to key members of parliament the importance the Clinton Administration ascribes to long-term U.S.-Russian cooperation in the realm of environmental protection and sustainable management of natural resources; to learn parliament's views on Russia's most pressing environmental problems and policy responses.

II. BACKGROUND

We know little about the political forces at work within the Ecology Committee of the Duma, the lower house of the Federal Assembly (parliament) of the Russian Federation. The Chairman of the Committee, Mikhail Lemeshev, is a member of Zhirinovskiy's party, as is Dorovskikh, one of those scheduled to meet with you. Though some in Zhirinovskiy's party oppose Western investment in Russia's natural resources sector on purely nationalist grounds, others have legitimate environmentalist credentials. In any case, major new environmental legislation pending in the Duma will require broad collaboration across party lines.

III. PARTICIPANTS

Nikolai N. Vorontsov, Deputy Chairman, Committee on Education, Culture, and Science (host)

Vladimir V. Tetelmin, Deputy Chairman, Committee on Ecology

Andrei M. Dorovskikh, Secretary, Committee on Ecology

Tom Dine, Assistant Administrator for Europe and the New Independent States, USAID

Jim Norris, Director, USAID/Moscow [possible]

Vlad Sambaiev or David Miller, U.S. Embassy

Bill Nitze and Gary Waxmonsky, EPA/OIA

Ken Thomas, State/OES

(Bio data on the Russian parliamentarians is attached.)

IV. PRESS

Closed.

V. SEQUENCE OF EVENTS

- Informal introductions
- Vorontsov as host will probably lead.
- Open discussion

VI. REMARKS

(See attached.)

TALKING POINTS for Carol M. Browner
Meeting with Russian Parliamentarians
December 16, 1994
Moscow, Russia

Introduction

- As head of the American government's principal environmental regulatory agency, and as a former Congressional aide to then-Senator Al Gore, I am particularly grateful for this opportunity to exchange views on environmental policy and legislation in our two countries.

Budget

- We know that Russia's economic crisis causes underinvestment in every sector of state activity. How will the national budget for environment protection in 1995 compare with that for 1994? How much additional environmental effort is funded from regional and local sources?

[You might comment on EPA's FY 95 budget or the likely impact of the Republican Congress on the FY 96 budget. EPA budget largest in history.]

World Bank

- The World Bank has recently agreed to a substantial (\$110 million) loan for environmental support to Russia. As I understand it, this loan is conditional on matching funds from the Russian government and enterprises. How is this action viewed in parliament? How will it affect environmental allocations in the state budget?

Legislation

- What important legislation is currently before the Duma in the area of environmental protection or management of natural resources?

[You might offer a survey of such legislation here in the US: SDWA (funding, flexibility, source protection); Superfund (describe -- polluters pay into government fund; efforts to limit litigation)]

Federal/State Balance

- One issue in the U.S. is the division of environmental protection responsibilities between the federal government and the states. The new Congress is likely to favor the devolution of authority in this area to the states. Is a similar trend at work in Russia?

[Firm federal standards; flexible state and local implementation. Local community better job than distant bureaucracy.]

Emergency Zones -- like Superfund sites

- I understand that areas in Russia may be designated as "ecological disaster" or "ecological emergency" zones. On what criteria are such designations based? What practical effect does such status have, in terms of increased federal funding?

[You might compare this approach with the Superfund NPL.]

Research

- [To Dr. Vorontsov] As a leading Duma member in the field of science and a former USSR Environment Minister, you must be very concerned about the problems facing environmental research and education in Russia. Does your committee deal with this topic? What is your assessment of the environmental data produced by various Russian government agencies?

[You could discuss briefly ORD's budget, human resources, or structure, with emphasis on the increasing role of extramural grants. **See attached page on partnership with universities.**]

USAID

- [You might offer the floor to Tom Dine or Jim Norris of USAID.]

Conclusion

- I would welcome the opportunity to continue this discussion in Washington should you find yourselves there in the coming year. Otherwise, assuming I return with the Vice President in June, perhaps we can have more time together. For now, I would like to leave you with these materials describing EPA and our environmental technical assistance effort sponsored by USAID. Some of them are even in Russian.
[Waxmonsky will have folders with materials for each parliamentarian.]

VORONTSOV [va-ront-SOHF], Nikolai Nikolaevich

Electoral District - Moscow

Party: Russia's Choice

Deputy Chairman, Committee on Education, Culture, and Science

Chairman, Subcommittee on Science

Born 1934, Russian, higher education, Professor, member of the Democratic Russia Movement, member of the National Labor Union. Member of the Coordinating Council of the Democratic Russia Movement since 20 February 1994. Senior Researcher, Koltsov Institute of Developmental Biology, Russian Academy of Sciences; Vice President of the Academy of Natural Sciences, Moscow.

USSR People's Deputy (representing the USSR Academy of Sciences). Appointed Chairman of the USSR State Committee for Nature Protection, October 1989.

TETELMIN [tye-TYEL-min], Vladimir Vladimirovich

Electoral District - Krasnoyarsk Region

Party: Russia's Choice

Deputy Chairman, Committee on Ecology

Born 1944, Russian, higher education, Doctor of Technical Sciences. From March 1994, member of the initiative group of the Russia's Choice Movement, from June 1994, member of the Political Council of Russia's Choice Movement. Professor, Krasnoyarsk Engineering Construction Institute.

DOROVSKIKH [da-ravs-KEEKH], Andrey Mikhailovich

Electoral District - Balashov, Saratov Oblast

Party: Liberal Democratic Party of Russia [Zhirinovsky's bloc]

Secretary, Committee on Ecology

Born 1965, Russian, higher education. Director of the "Reshenie" [Decision] Law Firm, Balashov, Saratov oblast.

December 1994

**OFFICE OF RESEARCH AND DEVELOPMENT FACT SHEET:
EXPANDING PARTNERSHIP WITH UNIVERSITIES
AND OTHER NOT-FOR-PROFIT, RESEARCH-INTENSIVE INSTITUTIONS**

- o EPA's Office of Research and Development (ORD) soon will launch two initiatives that will significantly expand ORD's support for research and training in scientific and engineering disciplines important for EPA's mission.
- o Under one initiative, ORD will solicit applications from universities and other not-for-profit, research-intensive institutions under an augmented grants program for environmental research. ORD will conduct part of this program in partnership with the National Science Foundation (NSF). Under the other initiative, ORD will seek applications from graduate students under a new program to award fellowships for environmentally related studies.
- o Greater interaction with the national scientific community is an integral part of ORD's commitment to seek the best talent inside and outside EPA to develop and maintain the Agency's scientific excellence. Universities and other not-for-profit research institutions are especially important sources of expertise and innovative ideas on environmental research.
- o Further, with the new fellowships program, ORD will support the development of a new generation of experts with the training and skills to address increasingly complex environmental challenges.
- o Solicitations for fellowships are expected to be issued in December 1994, and for the augmented grants in early 1995.

Augmented Grants Program:

- o The proposed augmented grants program will build on ORD's existing grants program. It will provide \$21 million for grants in specified research areas in fiscal 1995. ORD's goal is to establish an estimated \$100 million grants program in the next three years, focusing on research areas of greatest importance for EPA's mission.

- o ORD anticipates two solicitations: (1) a joint EPA/NSF solicitation involving areas of mutual interest for the two organizations, such as water and watershed ecosystem-level research, innovative technologies, global climate change, and socio-economic research, and (2) an ORD solicitation covering areas of special interest to the Agency, such as methods for assessing human health risks, indoor air pollution research, and tropospheric ozone research.

Fellowships Program:

- o The proposed fellowships program will cover tuition (up to \$12,000 per year as needed), supplies (up to \$5,000 per year as needed), and stipends (up to \$17,000 per year as needed) for students in masters and doctorate programs in disciplines that are critical for providing a sound base for environmental management and protection: the physical, biological, and social sciences; mathematics and computer science; and engineering. ORD expects to issue 100 fellowships in fiscal 1995 (totaling \$4 million to \$5 million), with a goal of building to 300 over the next three years. The fellowships will provide two-year support for work toward masters degrees and three-years support for work toward doctorates.

TO Gary
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Breakout of EPA 1992 Estimate

Aggregate Total = \$113.1 Billion

ABATEMENT CONTROL COSTS ARE ALWAYS LESS THAN 2 PERCENT OF REVENUES FOR INDUSTRY (see attached figure)

- Private = \$70.9 Billion
- Federal = \$ 14.0 Billion*
- State = \$3.6 Billion
- Local = \$ 24.7 Billion

* Federal includes capital, operations, research and development expenses by EPA and other Federal agencies.

Source: Environmental Investments: The Cost of a Clean Environment (EPA, 1990)

72 PERCENT OF LOCAL GOVERNMENT AND HOUSEHOLD COSTS FOR ENVIRONMENTAL POLLUTION CONTROL WOULD BE INCURRED IN THE ABSENCE OF EPA REGULATIONS

| <u>Breakout of Local</u> | <u>Basic Services (non-EPA directed)</u> | <u>EPA regulations</u> |
|------------------------------------------|----------------------------------------------|------------------------|
| Air = \$ < 0.1 | \$0 | \$ < 0.1 |
| Water = \$16.2 | | |
| Sewerage = \$12.5 | 8.3* | 4.2 |
| Nonpoint = \$0.3 | 0 | 0.3 |
| Drinking = \$3.3 | 2.8 | 0.5 |
| Land = \$ 7.9 | | |
| Solid Waste = \$7.6 | 6.6 | 1.0 |
| LUST = \$0.3 | 0 | 0.3 |
| Chemicals = \$0.5 | 0 | 0.5 |
| Multi-media = \$ < 0.1 | 0 | < 0.1 |
| Totals for Local Governments | \$17.7 | \$6.9 |
| Percent of Total (\$24.7 Billion) | 72% | 28% |

* Assumes that 2/3 of total sewerage costs are attributed to basic collection and treatment of wastewater that would be performed absent federal requirements. Remaining 1/3 is due to additional treatment (e.g., secondary and tertiary treatment) required under EPA regulations.

Source: Environmental Investments: The Cost of a Clean Environment (EPA, 1990)